IN THE HIGH COURT OF JUDICATURE
ANDHRA PRADESH
AT HYDERABAD

THE HON'BLE SRI JUSTICE J.CHELAMESWAR
AND
THE HON'BLE SRI JUSTICE D.APPA RAO

WP No. 17409 of 2006

Between :

M/s. Pioneer DTH Services .. Petitioner

And

Commercial Tax Officer, Suryaraopet Circle, Vijayawada and two others .. Respondents

Dated : 23rd August, 2006

ORAL ORDER : (per JC,J)

The petitioner is a partnership firm carrying on the business of distribution of Antenna Systems of M/s.ESSEL Agro Private Limited. It appears that the petitioner installs these Antennas at the premises of the customers collecting an annual rent along with a refundable non-interest bearing security deposit. The respondent No.1 assessed the liability of tax of the petitioner under APVAT Act 2005 for the period 1.4.2005 to 12.9.2005. While making the assessments, the respondents treated the entire amount of the above mentioned refundable non interest bearing security deposit as also part of the lease income and determined the tax as

Rs.10,23,295/- apart from levying a penalty of equal amount i.e., Rs.10,23,295/-. Aggrieved by the same, the petitioner carried the matter in appeal before the 2nd respondent and the same is said to be pending. Pending the appeal the petitioner filed a stay petition and the same is rejected by proceedings dated 17.3.2006. Against the said order, the petitioner preferred the revision before the 3rd respondent seeking stay of collection of the disputed tax and penalty of Rs.20,46,590/-. The 3rd respondent by his order dated 30.06.2006 dismissed the stay petition. Hence the present writ petition.

Heard the learned Government Pleader.

In the circumstances, we deem it appropriate to dispose of the writ petition directing the respondents not to take coercive steps for the recovery of the tax and penalty mentioned above on condition the petitioner deposits an amount of Rs.Five Lakhs within a period of six weeks from today. The said amount shall be either appropriated by the State or refunded to the petitioner depending upon the outcome of the appeal.

(J.CHELAMESWAR, J)

(D.APPARAO, J)

23rd August 2006.

Knk